United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

FILED
2014 DEC 16 P 3:23
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN FRANCISCO

UNITED STATES OF AMERICA,

[redacted]

V.

CR 14 0627

BEHNAM HALALI, ERNESTO MAGAT, KRAIG JILGE,
KAREN GAGARIN, and ALOMKONE SOUNDARA,
a/k/a ALEX SOUNDARA,

SI

DEFENDANT(S).

INDICTMENT

Title 18, United States Code, Section 1349 - Conspiracy to Commit Wire Fraud;
Title 18, United States Code, Section 1343 - Wire Fraud;
Title 18, United States Code, Section 1957 - Money Laundering;
Title 18, United States Code, Section 1028(a)(1) - Aggravated Identity Theft;
Title 18, United States Code, Sections 982(a)(1), 982(a)(3)(E), (F) and Title 28,
United States Code, Section 2461(c) - Forfeiture Allegation

CR14-627 SI

A true bill.

Foreman

Filed in open court this 16 day of

December 2014

Clerk

Bail, $ no bail / warrants to all (ordered under seal)

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT ☐ SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED

Title 18, U.S.C., § 1349 - Conspiracy to Commit Wire Fraud;
Title 18, U.S.C., § 1343 - Wire Fraud;
Title 18, U.S.C., § 1957 - Money Laundering;
Title 18, U.S.C., § 1028(a)(1) - Aggravated Identity Theft;
Title 18, U.S.C., §§ 982(a)(1), 982(a)(3)(E), (F) and
Title 28, U.S.C., § 2461(c) - Forfeiture Allegation

☐ Petty
☐ Minor
☐ Misde-meanor
☒ Felony

PENALTY: Please see attachment.

[redacted]

DEFENDANT - U.S

▶ BEHNAM HALALI

DISTRICT COURT NUMBER
CR 14 0627

PROCEEDING

Name of Complaintant Agency, or Person (& Title, if any)

Federal Bureau of Investigation and Internal Revenue Service

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:
☐ U.S. ATTORNEY ☐ DEFENSE
} SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
} MAGISTRATE CASE NO.

Name and Office of Person Furnishing Information on this form: MELINDA HAAG
☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned): Kim A. Berger

DEFENDANT

SI

IS *NOT* IN CUSTODY

1) ☐ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges ▶

2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

4) ☒ On this charge

5) ☐ On another conviction } ☐ Federal ☐ State

6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed

DATE OF ARREST ▶ Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY ▶ Month/Day/Year

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT

Bail Amount:

If Summons, complete following:
☐ Arraignment ☐ Initial Appearance

** Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment*

Defendant Address:

Date/Time: Before Judge:

Comments:

PENALTY SHEET ATTACHMENT
(BEHNAM HALALI)

Count One (18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud)
Maximum term of imprisonment of 20 years;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Counts Two through Four (18 U.S.C. § 1343 – Wire Fraud)
Maximum term of imprisonment of 20 years imprisonment;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Count 18 (18 U.S.C. § 1957 – Money Laundering)
Maximum term of imprisonment of 10 years;
$250,000 fine or twice the amount of the criminally derived property;
Maximum term of supervised release of three years; and
$100 special assessment

Count 21 (18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft)
Maximum term of imprisonment of 2 years;
$250,000 fine;
Maximum term of supervised release of one year; and
$100 special assessment

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT ☐ SUPERSEDING

OFFENSE CHARGED

Title 18, U.S.C., § 1349 - Conspiracy to Commit Wire Fraud;
Title 18, U.S.C., § 1343 - Wire Fraud;
Title 18, U.S.C., § 1957 - Money Laundering;
Title 18, U.S.C., § 1028(a)(1) - Aggravated Identity Theft;
Title 18, U.S.C., §§ 982(a)(1), 982(a)(3)(E), (F) and
Title 28, U.S.C., § 2461(c) - Forfeiture Allegation

☐ Petty
☐ Minor
☐ Misde-meanor
☒ Felony

PENALTY: Please see attachment.

[redacted]

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

FILED
DEC 16 2014
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S

▶ ERNESTO MAGAT

DISTRICT COURT NUMBER

CR 14 0627 SI

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation and Internal Revenue Service

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:
☐ U.S. ATTORNEY ☐ DEFENSE
} SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
} MAGISTRATE CASE NO.

Name and Office of Person Furnishing Information on this form: MELINDA HAAG
☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned): Kim A. Berger

DEFENDANT

IS *NOT* IN CUSTODY

1) ☐ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges ▶

2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

4) ☒ On this charge

5) ☐ On another conviction } ☐ Federal ☐ State

6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed

DATE OF ARREST ▶ Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY ▶ Month/Day/Year

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT Bail Amount:

If Summons, complete following:
☐ Arraignment ☐ Initial Appearance

** Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment*

Defendant Address:

Date/Time: Before Judge:

Comments:

PENALTY SHEET ATTACHMENT
(ERNESTO MAGAT)

Count One (18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud) 1
Maximum term of imprisonment of 20 years;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment 2-15

Counts Five through Seven (18 U.S.C. § 1343 – Wire Fraud)
Maximum term of imprisonment of 20 years imprisonment;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Counts Eighteen through Twenty (18 U.S.C. § 1957 – Money Laundering)
Maximum term of imprisonment of 10 years;
$250,000 fine or twice the amount of the criminally derived property;
Maximum term of supervised release of three years; and
$100 special assessment

Count 22 (18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft) 21-25
Maximum term of imprisonment of 2 years;
$250,000 fine;
Maximum term of supervised release of one year; and
$100 special assessment

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT ☐ SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

FILED
DEC 16 2014
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

OFFENSE CHARGED

Title 18, U.S.C., § 1349 - Conspiracy to Commit Wire Fraud;
Title 18, U.S.C., § 1343 - Wire Fraud;
Title 18, U.S.C., § 1957 - Money Laundering;
Title 18, U.S.C., § 1028(a)(1) - Aggravated Identity Theft;
Title 18, U.S.C., §§ 982(a)(1), 982(a)(3)(E), (F) and
Title 28, U.S.C., § 2461(c) - Forfeiture Allegation

☐ Petty
☐ Minor
☐ Misde-meanor
☒ Felony

PENALTY: Please see attachment.

[redacted]

DEFENDANT - U.S

▶ KRAIG JILGE

DISTRICT COURT NUMBER

CR 14 0627 SI

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation and Internal Revenue Service

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:
☐ U.S. ATTORNEY ☐ DEFENSE
} SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
} MAGISTRATE CASE NO.

Name and Office of Person Furnishing Information on this form: MELINDA HAAG

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned): Kim A. Berger

DEFENDANT

IS *NOT* IN CUSTODY

1) ☐ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges ▶

2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

4) ☒ On this charge

5) ☐ On another conviction } ☐ Federal ☐ State

6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed

DATE OF ARREST ▶ Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY ▶ Month/Day/Year

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT

Bail Amount:

If Summons, complete following:
☐ Arraignment ☐ Initial Appearance

** Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment*

Defendant Address:

Date/Time: Before Judge:

Comments:

PENALTY SHEET ATTACHMENT
(KRAIG JILGE)

Count One (18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud)
Maximum term of imprisonment of 20 years;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Counts Eight through Nine (18 U.S.C. § 1343 – Wire Fraud)
Maximum term of imprisonment of 20 years;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Counts Sixteen and Seventeen (18 U.S.C. § 1957 – Money Laundering)
Maximum term of imprisonment of 10 years;
$250,000 fine or twice the amount of the criminally derived property;
Maximum term of supervised release of three years;
$100 special assessment

Count 25 (18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft)
Maximum term of imprisonment of 2 years;
$250,000 fine;
Maximum term of supervised release of one year;
$100 special assessment

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT ☐ SUPERSEDING

OFFENSE CHARGED

Title 18, U.S.C., § 1349 - Conspiracy to Commit Wire Fraud;
Title 18, U.S.C., § 1343 - Wire Fraud;
Title 18, U.S.C., § 1028(a)(1) - Aggravated Identity Theft;
Title 18, U.S.C., §§ 982(a)(1), 982(a)(3)(E), (F) and
Title 28, U.S.C., § 2461(c) - Forfeiture Allegation

☐ Petty
☐ Minor
☐ Misde-meanor
☒ Felony

PENALTY: Please see attachment.

[redacted]

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

FILED
DEC 16 2014
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S

▶ KAREN GAGARIN

DISTRICT COURT NUMBER
CR 14 0627 SI

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation and Internal Revenue Service

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:
☐ U.S. ATTORNEY ☐ DEFENSE
} SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
} MAGISTRATE CASE NO.

Name and Office of Person Furnishing Information on this form: MELINDA HAAG
☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned): Kim A. Berger

DEFENDANT

IS *NOT* IN CUSTODY

1) ☐ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges ▶

2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

4) ☒ On this charge

5) ☐ On another conviction } ☐ Federal ☐ State

6) ☐ Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed

DATE OF ARREST ▶ Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY ▶ Month/Day/Year

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:
☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT

Bail Amount:

If Summons, complete following:
☐ Arraignment ☐ Initial Appearance

Defendant Address:

** Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment*

Date/Time: Before Judge:

Comments:

PENALTY SHEET ATTACHMENT
(KAREN GAGARIN)

Count One (18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud)
Maximum term of imprisonment of 20 years;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Counts Ten through Twelve (18 U.S.C. § 1343 – Wire Fraud)
Maximum term of imprisonment of 20 years imprisonment;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Count 24 (18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft)
Maximum term of imprisonment of 2 years;
$250,000 fine;
Maximum term of supervised release of one year; and
$100 special assessment

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT ☐ SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

FILED
DEC 16 2014
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

OFFENSE CHARGED

Title 18, U.S.C., § 1349 - Conspiracy to Commit Wire Fraud;
Title 18, U.S.C., § 1343 - Wire Fraud;
Title 18, U.S.C., § 1028(a)(1) - Aggravated Identity Theft;
Title 18, U.S.C., §§ 982(a)(1), 982(a)(3)(E), (F) and
Title 28, U.S.C., § 2461(c) - Forfeiture Allegation

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY: Please see attachment.

[redacted]

DEFENDANT - U.S

ALOMKONE SOUNDARA, a/k/a ALEX SOUNDARA

DISTRICT COURT NUMBER

CR 14 0627 SI

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation and Internal Revenue Service

☐ person is awaiting trial in another Federal or State Court, give name of court ______

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District ______

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:
☐ U.S. ATTORNEY ☐ DEFENSE
SHOW DOCKET NO. ______

☐ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
MAGISTRATE CASE NO. ______

Name and Office of Person Furnishing Information on this form: MELINDA HAAG
☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned): Kim A. Berger

DEFENDANT

IS *NOT* IN CUSTODY

1) ☐ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges ______

2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District) ______

IS IN CUSTODY

4) ☒ On this charge

5) ☐ On another conviction } ☐ Federal ☐ State

6) ☐ Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution ______

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed ______

DATE OF ARREST Month/Day/Year ______

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year ______

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT

Bail Amount: ______

If Summons, complete following:
☐ Arraignment ☐ Initial Appearance

** Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment*

Defendant Address: ______

Date/Time: ______ Before Judge: ______

Comments:

PENALTY SHEET ATTACHMENT
(ALOMKONE SOUNDARA)

Count One (18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud)
Maximum term of imprisonment of 20 years;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Counts Thirteen through Fifteen (18 U.S.C. § 1343 – Wire Fraud)
Maximum term of imprisonment of 20 years;
$250,000 fine or twice the gross gain or loss;
Maximum term of supervised release of three years; and
$100 special assessment

Count 25 (18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft)
Maximum term of imprisonment of 2 years;
$250,000 fine;
Maximum term of supervised release of one year; and
$100 special assessment

MELINDA HAAG (CABN 132612)
United States Attorney

FILED
2014 DEC 16 P 3:24
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

[redacted]

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

SI

UNITED STATES OF AMERICA, Plaintiff, v. BEHNAM HALALI, ERNESTO MAGAT, KRAIG JILGE, KAREN GAGARIN, and ALOMKONE SOUNDARA, a/k/a ALEX SOUNDARA, Defendants.	NO. CR 14 0627 VIOLATIONS: Title 18, United States Code, Section 1349—Conspiracy to Commit Wire Fraud; Title 18, United States Code, Section 1343—Wire Fraud; Title 18, United States Code, Section 1957—Money Laundering; Title 18, United States Code, Section 1028A(a)(1)—Aggravated Identity Theft; Title 18, United States Code, Sections 982(a)(1), 982(a)(3)(E), (F) and Title 28, United States Code, Section 2461(c)—Forfeiture Allegations SAN FRANCISCO VENUE

INDICTMENT

The Grand Jury charges:

Introductory Allegations

1. American Income Life Insurance Company ("AIL") was a company headquartered in Texas that sold supplemental life insurance throughout the United States.

2. From in or about 2005 until he was fired in or about April 2012, defendant Behnam HALALI worked as an independent contractor selling AIL life insurance.

3. From in or about 2008 until he was fired in or about January 2012, defendant Ernesto MAGAT worked as an independent contractor selling AIL life insurance.

4. From in or about 2008 until he was fired in or about January 2012, defendant Kraig JILGE worked as an independent contractor selling AIL life insurance.

5. From in or about 2008 until she resigned in or about May 2012, defendant Karen GAGARIN worked as an independent contractor selling AIL life insurance.

6. From in or about 2010 until he was fired in or about April 2012, defendant Alomkone SOUNDARA, a/k/a Alex SOUNDARA, worked as an independent contractor selling AIL life insurance.

7. From in or about June 2009 until in or about February 2012, co-conspirator M.M. worked as an independent contractor selling AIL life insurance.

The Conspiracy and the Scheme to Defraud

8. From in or about September 2011, through in or about February 2012, the defendants, HALALI, MAGAT, JILGE, GAGARIN, and SOUNDARA, did knowingly and willfully conspire and agree with each other, and with other persons known and unknown to the Grand Jury, to devise, participate in, and execute a scheme to defraud AIL, and to obtain money from AIL by means of materially false and fraudulent pretenses, representations, and promises, and by omitting and concealing material facts. The defendants executed the scheme by, among other things, submitting applications for life insurance on behalf of individuals who did not know that a policy was applied for or issued in their name and/or did not want a life insurance policy, and then shared the commissions and bonuses issued by AIL in connection with those fraudulent policies.

Manner and Means of the Scheme

9. Among the manner and means by which the defendants and their co-conspirators carried out this conspiracy were the following:

a. The defendants and their co-conspirators paid recruiters to find individuals who were willing to take a medical exam in exchange for approximately $100. The defendants and their co-conspirators then took the personal information associated with those individuals and submitted applications for life insurance in their names, in many cases without the individual's knowledge;

b. The defendants and their co-conspirators paid individuals to participate in a fictitious survey of a medical exam company, and then took the personal information associated with those individuals and submitted applications for life insurance, in many cases without the individual's knowledge;

c. The defendants and their co-conspirators solicited their family and friends to submit applications for life insurance, and told them that they would receive free life insurance for several months after which the policies would be cancelled;

d. In some cases, the defendants and their co-conspirators created fraudulent driver's licenses so they could take medical exams purporting to be the individuals in the applications;

e. The defendants and their co-conspirators opened hundreds of bank accounts to fund the premiums on the fraudulent policies, and typically paid between one to four months of premiums before letting the policies lapse;

f. The defendants and their co-conspirators purchased pre-paid telephones and set up Google Voice telephone numbers for phone numbers listed on the fraudulent applications;

g. The defendants and their co-conspirators returned verification calls to AIL purporting to be the applicants on the fraudulent applications, and confirmed the information in the fraudulent applications;

h. The defendants and their co-conspirators listed addresses of gas stations and apartment complexes on many of the fraudulent applications in an effort to avoid detection, and fabricated the names of the beneficiaries of the policies; and

i. The defendants and their co-conspirators exchanged emails in which they tracked the telephone numbers and bank accounts associated with the fraudulent policies.

10. As a result of this fraudulent scheme, the defendants and their co-conspirators caused AIL to pay more than $2.5 million in commissions and bonuses for fraudulent life insurance policies.

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COUNT ONE: (18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud)

11. Paragraphs 1 through 10 are realleged and reincorporated herein by reference.

12. Beginning in or about September 2011, and continuing through in or about February 2012, in the Northern District of California and elsewhere, the defendants,

BEHNAM HALALI,
ERNESTO MAGAT,
KRAIG JILGE,
KAREN GAGARIN, and
ALOMKONE SOUNDARA,

did knowingly and willfully conspire and agree with each other, and with other persons known and unknown to the Grand Jury, to devise, participate in, and execute a material scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by means of concealment of material facts, and, for the purpose of executing such scheme and artifice, did knowingly and intentionally cause to be transmitted, in interstate commerce, by means of a wire communication, certain writings, signs, and signals, in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH FIFTEEN: (18 U.S.C. § 1343 – Wire Fraud)

13. Paragraphs 1 through 10 are realleged and reincorporated herein by reference.

14. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendants,

BEHNAM HALALI,
ERNESTO MAGAT,
KRAIG JILGE,
KAREN GAGARIN, and
ALOMKONE SOUNDARA,

for the purpose of executing the material scheme to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omission and concealment of material facts, did knowingly transmit and cause to be transmitted the following wire communications in interstate commerce:

COUNT	APPROXIMATE DATE OF WIRE	NATURE OF THE WIRE COMMUNICATION
2	December 5, 2011	Wire transfer of $398.60 from HALALI's Wells Fargo bank account to AIL's account at Central National Bank
3	December 12, 2011	Wire transfer of $354.68 from HALALI's Wells Fargo bank account to AIL's account at Central National Bank
4	December 19, 2011	Wire transfer of $377.67 from HALALI's Wells Fargo bank account to AIL's account at Central National Bank
5	November 15, 2011	Wire transfer of $401.60 from MAGAT's Wells Fargo bank account to AIL's account at Central National Bank
6	November 25, 2011	Wire transfer of $409.94 from MAGAT's Wells Fargo bank account to AIL's account at Central National Bank
7	December 5, 2011	Wire transfer of $387.20 from MAGAT's Wells Fargo bank account to AIL's account at Central National Bank
8	October 11, 2011	Wire transfer of $429.42 from JILGE's Wells Fargo bank account to AIL's account at Central National Bank
9	October 24, 2011	Wire transfer of $400.86 from JILGE's Wells Fargo bank account to AIL's account at Central National Bank
10	November 3, 2011	Wire transfer of $279.05 from GAGARIN's Wells Fargo bank account to AIL's account at Central National Bank
11	November 7, 2011	Wire transfer of $364 from GAGARIN's Wells Fargo bank account to AIL's account at Central National Bank
12	November 7, 2011	Wire transfer of $378.34 from GAGARIN's Wells Fargo bank account to AIL's account at Central National Bank
13	October 31, 2011	Wire transfer of $396.90 from SOUNDARA's Wells Fargo bank account to AIL's account at Central National Bank
14	November 18, 2011	Wire transfer of $109.42 from SOUNDARA's Wells Fargo bank account to AIL's account at Central National Bank
15	November 21, 2011	Wire transfer of $395.30 from SOUNDARA's Wells Fargo bank account to AIL's account at Central National Bank

Each in violation of Title 18, United States Code, Section 1343.

COUNTS SIXTEEN THROUGH TWENTY: (18 U.S.C. § 1957 – Money Laundering)

15. Paragraphs 1 through 10 are realleged and reincorporated herein by reference.

16. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendants specified below, did knowingly engage and attempt to engage in the following monetary transactions in criminally derived property of a value greater than $10,000, namely, the exchange of the funds below, those funds having been derived from specified unlawful activity, namely, wire fraud, in violation of Title 18, United States Code, Section 1343:

COUNT	APPROXIMATE DATE	DEFENDANT	DESCRIPTION OF MONETARY TRANSACTION
16	November 14, 2011	KRAIG JILGE	$10,462.80 check payable to Kraig JILGE from a co-conspirator's Wells Fargo account
17	November 29, 2011	KRAIG JILGE	$11,436.70 check payable to Kraig JILGE from a co-conspirator's Wells Fargo account
18	December 28, 2011	BEHNAM HALALI ERNESTO MAGAT	$24,000 cashier's check payable to Ben HALALI from ERNESTO MAGAT's Bank of America account
19	January 30, 2012	ERNESTO MAGAT	$14,000 check payable to ERNESTO MAGAT from M.M.'s Citibank account
20	January 17, 2012	ERNESTO MAGAT	$17,908 cashier's check payable to E. MAGAT from M.M.'s Citibank account

Each in violation of Title 18, United States Code, Section 1957.

COUNTS TWENTY-ONE THROUGH TWENTY-FIVE: (18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft)

17. Paragraphs 1 through 10 are realleged and reincorporated herein by reference.

18. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendants specified below, did knowingly transfer, possess, and use, without lawful authority, the means of identification of another person, namely, the names, dates of birth, and social security numbers of the real individuals set forth below in connection with the issuance of life insurance

policies, during and in relation to felony violations of Title 18, United States Code, Sections 1343 and 1349:

COUNT	APPROXIMATE DATE	DEFENDANT	WIRE FRAUD VIOLATION
21	December 12, 2011	BEHNAM HALALI	A life insurance policy issued in the name of E.H.
22	November 15, 2011	ERNESTO MAGAT	A life insurance policy issued in the name of V.M.
23	October 11, 2011	KRAIG JILGE	A life insurance policy issued in the name of B.R.
24	November 3, 2011	KAREN GAGARIN	A life insurance policy issued in the name of M.G.
25	November 9, 2011	ALOMKONE SOUNDARA	SOUNDARA created a phony driver's license in connection with the application for a life insurance policy issued in the name of B.R.

Each in violation of Title 18, United States Code, Section 1028A(a)(1).

FORFEITURE ALLEGATION: (18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461(c))

19. The allegations contained in paragraphs 1 through 10 are realleged and fully incorporated herein for the purpose of alleging forfeiture.

20. Upon a conviction of any of the offenses alleged in Counts One through Twenty-Five above, the defendants,

BEHNAM HALALI,
ERNESTO MAGAT,
KRAIG JILGE,
KAREN GAGARIN, and
ALOMKONE SOUNDARA,

shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 1343, or conspiracy thererto.

21. Upon a conviction of any of the offenses alleged in Counts Sixteen through Twenty above, the defendants,

BEHNAM HALALI,
ERNESTO MAGAT,
KRAIG JILGE,
KAREN GAGARIN, and
ALOMKONE SOUNDARA,

shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), any property, real or personal, involved in any violation of 18 U.S.C. § 1957.

22. If any of said property, as a result of any act or omission of the defendants:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred to, sold to, or deposited with a third person;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be subdivided without difficulty;

any and all interest the defendants have in other property shall be vested in the United States and forfeited to the United States pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), Title 28, United States Code, Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.

DATED: December 16, 2014

A TRUE BILL.

[signature]
FOREPERSON

MELINDA HAAG
United States Attorney

[signature]
For J. DOUGLAS WILSON
Chief, Criminal Division

(Approved as to form: [signature]
AUSA Berger